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EDITORIAL

The Hess Report and What It Means

In 1943 a committee of the House of Delegates of the American Medical Association was given the duty of studying the problem and status of "Hospitals and the Practice of Medicine." The chairman of this special committee was Dr. Elmer Hess of Erie, Pennsylvania. Hence, it became known as the Hess Committee and its reports of various times became known as the Hess Reports.

The progress report given to the House of Delegates at St. Louis in December 1948 merely outlined some principles and ways by which the committee would seek facts to enable it to render an opinion.

In June 1949, at Atlantic City, Dr. Hess reported for the committee.

He called attention to the fact that in many or most states the practice of medicine by corporations or unlicensed individuals is illegal. He also called attention to the Principles of Ethics of the American Medical Association (Chapter II, Article VI, Section 6) wherein the disposal by a physician of his services to such a party, where there is exploitation of the physician's services for the financial profit of such agency, is declared unethical. "Therefore," Dr. Hess stated in the report, "hospitals and medical schools cannot charge patients fees for medical services rendered by physicians even though the physicians are full time employees of an individual or of an institution."

Dr. Hess pointed out that these basic principles should be definitely understood and confirmed. Then he recommended that hospitals or other lay groups that would not cooperate within ethical and legal limits, and had been found guilty, should be removed from the approval list of the American Medical Association on order of the Judicial Council. This is the point on which much later misunderstanding arose.

The Reference Committee of the House of Delegates recommended approval of this "Hess report" and it was so approved.

Thereafter the Board of Trustees was given legal advice that the board had no right legally to try hospitals or other lay groups as to their lack of cooperation. Also, that as the American Medical Association had no legal authority to state how hospitals should carry on their business, the American Medical Association could not legally carry out this provision of the Hess report. The Board of Trustees therefore refused to institute any action and asked the House of Delegates to rescind its action approving the Hess report.

Therefore, at Washington in December 1949, the House of Delegates reconsidered the whole problem, but refused to rescind the Hess principles and pointedly reaffirmed its belief in those principles stated in the Hess report, and directed that action by the Board of Trustees be deferred *only* until all legal requirements were met in order to insure that all action taken should comply with the law.

Thereafter, the American Hospital Association in March 1950, in a distributed brochure, quoted resolutions defining that in its opinion radiologic, pathologic, anesthesiologic and psychiatric departments are component parts of the hospital organization and are included properly in a "patient-day" of hospital care. It definitely branded certain designated branches of medicine as hospital functions rather than professional medical care functions. It also erroneously reported that the Hess report had been rescinded.

This apparently caused much unrest and resentment in many quarters and it was felt that definite unequivocal action had to be taken by the House of Delegates in San Francisco.

In June 1950, therefore, the final (to date) Hess report was presented to the House of Delegates. It was then referred to a Resolutions Committee for study and report. Open hearings were held by this committee and its recommendations made. The House of Delegates then acted and this is essentially what it adopted:

1. It reaffirmed the basic principles of the Hess report in separating professional services from those which are the functions of the hospitals.

2. It called attention to procedures by which legally a physician (not the hospitals) may be tried for unethical conduct.

3. It adopted the following: "If and when a physician is found to be unethical by the proper authorities as established through channels specified in the Constitution and By-Laws, and he is still retained on the staff of any hospital approved for resident or intern training by the Council on Medical Education and Hospitals, it shall be the duty of the Judicial Council to request the Council on Medical Education and Hospitals to show cause as to why that council should not remove such hospital from the approved list under the assumption that the hospital is just as unfit for the training of young physicians for unethical reasons as it is unfit because it may not or does not have proper filing systems for its laboratory or clinical records."

4. It stated:

a. "A physician should not dispose of his professional attainments or services to any hospital, corporation or lay body by whatever name called or however organized under terms or conditions which permit the sale of the services of that physician by such agency for a fee.

b. "Where a hospital is not selling the services of a physician, the financial arrangement, if any, between the hospital and the physician properly may be placed upon any mutually satisfactory basis. This refers to the remuneration of a physician for teaching or research or charitable services or the like. Corporations or other lay bodies properly may provide such services and employ or otherwise engage doctors for those purposes.

c. "The practice of anesthesiology, pathology, physical medicine and roentgenology are an integral part of the practice of medicine in the same category as the practice of surgery, internal medicine or any other designated field of medicine."

Undoubtedly it will take time to adjust all difficulties. However, the basic principles in this problem have been enunciated and the procedures necessary to support them are described.

Honorable bodies given definite precepts and rules of conduct usually adjust themselves and embrace the right.

